

Office of City Auditor – City of Seattle

Monthly Report – January 2004



The City Auditor is Seattle's independent internal auditor, appointed by the chair of the City Council's Finance Committee and confirmed by the full Council. The Office of City Auditor conducts financial, performance, management, and compliance audits of City programs, agencies, grantees, and contracts. The office can be reached at 206-233-3801 or on the internet at <http://www.seattle.gov/audit>.

Recent Work: Focus on Follow Up Work

Our recently published work focused on follow-up reviews of previous audits on the Supportive Housing Program, Animal Control, the Civil Service Commission, and the Public Safety Civil Service Commission. In each review, we found satisfactory implementation of our previous audit findings and recommendations. (The full reports may be obtained at our Web site: www.seattle.gov/audit.) In brief, we found that:

- The Human Services Department has successfully resolved the Supportive Housing Program annual progress reporting issues identified in 2003. The Supportive Housing Program provides a variety of capital, operating, and supportive services for homeless people.
- Animal Control improved controls by regularly collecting, depositing and accounting for revenues. Animal Control has implemented the Computerized Animal Tracking System (CATS) program, segregated functions as much as staffing levels will allow, and performs daily reconciliations of the deposits made to the City Treasury against the CATS system totals.
- The City implemented our recommendation to transfer responsibility for administering examinations for police officers and firefighters from the Public Safety Civil Service Commission to the City's Personnel Department. Only one staff position remained with the Public Safety Civil Commission following the reorganization, which made the remaining recommendations irrelevant.
- The Civil Service Commission implemented all of the recommendations within its authority. However, we found that Ordinance 120936 required clarification. The City Attorney's Office plans to introduce legislation clarifying represented employees' rights to choose the Civil Service system or the collective bargaining agreement process for resolving certain disputes.

Our next follow-up report, to be issued in February, examines Seattle City Light's progress in addressing audit findings on Skagit Project administration, commuter trips, and the cookhouse covered in three previous audits.

Soon To Be Released

Audits scheduled for release in February, in addition to the Skagit follow-up audit, include our joint project with King County on records management, our report on the City's General Contract/Construction Management (GCCM) contracting, and our examination of the Carkeek Park Environmental Learning Center. We also issued a preliminary draft report on Impound Services, and will issue the final report in the spring.

Office of City Auditor Standards

A number of organizations have established standards for conducting audits and evaluations including the American Institute of Certified Public Accountants (AICPA), the American Evaluation Association, the U.S. General Accounting Office (GAO), and the Institute of Internal Auditors (IIA). Following the lead of most of the internal audit offices in the Seattle area, the Office of City Auditor has chosen the IIA's Standards for the Professional Practice of Internal Auditing. These standards, which are generally consistent with GAO's government auditing standards, establish the procedures and practices for ensuring that audits are thorough, systematic, and objective. Under these standards, the Office of City Auditor is required, at a minimum, to have an external review every five years.

How the Office Prioritizes Its Work

We perform work that meets the needs of the Mayor, City Councilmembers, department managers, and the citizens of Seattle. Our commitment is to complete work in time for important meetings and hearings, or before additional funds are committed or lost.

We use the following criteria to determine which City departments, organizations, programs, activities, and functions to review:

- Level of City Council, Mayor, public and media interest
- Potential of audit topic to benefit more than one department

- Significant environmental changes
- Service management problems
- Quality of internal controls
- Risk of losing outside funding
- Historical problems or concerns
- Relative risk and exposure

Status of Seattle Office of City Auditor Rolling Work Program¹

Projects In the Preliminary Stage (see definitions below)

City Attorney Department Asset Allocation
Police Department Asset Allocation

Projects in the Job Design Phase

Business Taxes
Case Study of City's Contracting History With One Vendor
Construction Contract Closeout
Domestic Violence
Information Technology Efficiencies
City Procurement Cards
Seattle City Employees Retirement System
Small Works Roster – Construction

Projects in the Data Gathering and Analysis Phase

Seattle Channel
Treasury and Business Improvement Area Follow-Up

Projects in the Report Writing Phase

Carkeek Park Environmental Learning Center
General Contractor/Construction Manager
Vehicle Impounds
Joint Records Management with King County

Oversight of Information Technology
Weights and Measures Unit

To Do Projects

Boards and Commissions
Boundary Dam Internal Controls
Fire Levy
Madison Pool Facility Cash Fund Follow-up
Museum Development Authority
Neighborhoods Service Centers Cash Follow-Up
Quality Assurance Review of Office of City Auditor
Construction Scheduling
Seattle Department of Transportation Permit Center Follow-Up
Seattle City Light Follow-Up
Seattle Municipal Court Collection Services Follow-Up
Small Works Roster – Consultants
Warehouses – Citywide

Ongoing

Citywide Cash Handling
Cable Customer Bill of Rights

To Do: An issue the office will consider when staff resources become available.

Preliminary: Preliminary work is under way to determine whether this is a valuable audit topic.

Job Design: Determining the audit scope and developing a data-gathering plan. A decision is made regarding whether to continue the audit at the end of this phase,

Data Gathering and Analysis: The comprehensive fieldwork and in-depth analysis is completed in this phase.

Report Writing: Development of the final report.

Follow-Up: Assessment of departments' implementation of recommended improvements is typically completed one to two years after audit publication.

Ongoing: Official briefings, management reporting, and other small consulting engagements performed on a continuous or regular basis.

¹The Office of City Auditor maintains a "rolling" work program. Throughout the year, we receive new audit suggestions and reprioritize our work program to ensure that we address the most important issues first. The office is currently staffed to complete 12 to 14 projects annually.